S. HRG. 98-206

NOMINATION OF WARREN T. LINDQUIST

HEARING

BEFORE THE

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS UNITED STATES SENATE

NINETY-EIGHTH CONGRESS

FIRST SESSION

ON

NOMINATION OF WARREN T. LINDQUIST, TO BE ASSISTANT SECRETARY FOR PUBLIC AND INDIAN HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

JULY 20, 1983

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NOMINATION OF WARREN T. LINDQUIST

WEDNESDAY, JULY 20, 1983

U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
Washington, D.C.

The committee met at 9 a.m., in room SD-538, of the Dirksen Senate Office Building, Senator Jake Garn (chairman of the committee) presiding.

Present: Senators Garn, D'Amato, and Hecht.

OPENING STATEMENT OF CHAIRMAN GARN

The CHAIRMAN. The Banking Committee will come to order.

The purpose of this morning's hearing is a confirmation hearing on Mr. Warren Taylor Lindquist, nominated by the President to be Assistant Secretary for Public and Indian Housing, and Senator D'Amato would like the privilege of introducing you, Mr. Lindquist.

OPENING STATEMENT OF SENATOR D'AMATO

Senator D'AMATO. Thank you very much, Mr. Chairman, and it is indeed a privilege to have the opportunity to introduce to the Senate Banking Committee an outstanding New Yorker, Warren T. Lindquist, known to all as Lindy.

Lindy has been nominated by the President to serve in the newly created and critically important position of Assistant Secretary for Public and Indian Housing.

First, I would like to commend the President and Secretary Pierce for having the foresight to form this new post within the Department of Housing and Urban Development, thereby formally recognizing both the substantial size of our country's investment in public housing and the dire necessity to preserve and effectively utilize that investment.

Perhaps no person that I know could bring to this new position such vast knowledge, experience, and management expertise in the formulation and effective implementation of the housing policy than Warren T. Lindquist.

Aside from Lindy's record as a decorated World War II veteran, the chairman has pointed out that Lindy is the father of 10 children. This latter achievement may be the subject of a rather pointed question by the chairman, perhaps off the record.

The CHAIRMAN. No; no real pointed question. I just looked at that list of kids and I figured you must either be Mormon or Catho-

lic, one or the other, and you're way ahead of me. I only have seven. I have no intention of trying to catch up.

Senator D'AMATO. In addition to Lindy's lifetime occupation as a father, he has a long history of dynamic service in both the private and public housing sectors and I am certain that this diverse experience will provide him with a uniquely rich background with which he will be able to tackle the enormous tasks assigned to him.

In fact, Mr. Lindquist's career emphasis on forging cooperative partnerships between Federal, State, and local government and, more importantly, the private sector, make him particularly fit for service in his new position.

Mr. Chairman, Mr. Lindquist's membership on countless public and private commissions, task forces, committees, and boards of directors, too numerous to mention here, have afforded him exposure to a wide spectrum of ideas which he will no doubt utilize in creating innovative solutions to the unique problems facing both public and Indian housing. I will not take the time of the committee to further list Lindy's accomplishments.

I would ask that the balance of my remarks be included in the record as if read in its entirety. In short, though, Mr. Chairman, it's a great honor for me to have the privilege of introducing a friend of mine, Lindy Lindquist, to this committee and to urge his speedy confirmation.

[Senator D'Amato's statement follows:]

STATEMENT OF SENATOR D'AMATO ON THE INTRODUCTION OF WARREN T. LINDQUIST

Thank you Mr. Chairman, I am honored to have the opportunity to introduce to the Senate Banking, Housing, and Urban Affairs Committee an outstanding New Yorker, Warren T. Lindquist. Mr. Lindquist has been nominated by the President to serve in the newly created and critically important position of Assistant Secretary for Public and Indian Housing.

First, I would like to commend President Reagan and Secretary Pierce for having the foresight to form this new post within the Department of Housing and Urban Development, thereby formally recognizing both the substantial size of our country's investment in public housing and the dire necessity to preserve and effectively utilize that investment.

Perhaps no person that I know could bring to this new position such vast knowledge, experience and management expertise in the formulation and effective implementation of housing policy than Warren T. Lindquist. Aside from being a decorated World War II veteran and the father of ten children (which, by the way, could have been a lifetime occupation in and of itself), Mr. Lindquist has a long history of dynamic service in both the private and public housing sectors. I am certain that this diverse experience will provide him with a uniquely rich background with which he will be able to tackle the enormous tasks assigned to him.

In fact, Mr. Lindquist's career emphasis on forging cooperative partnerships between Federal, State, and local governments and the private sector make him particularly fit for service in his new position.

Among his long list of accomplishments in this vein, Mr. Lindquist was the originator and first chief executive officer of the enormously successful New York City preservation corporation, a nonprofit consortium of banks and community groups devoted to the financing of the rehabilitation of multifamily dwellings in our city. Before his service with the corporation. Mr. Lindquist spent 26 years as a principal associate of David Rockefeller's, directing his efforts toward the encouragement of community and economic development throughout the State of New York. Since 1981, Mr. Lindquist has served effectively as the General Manager of the new Community Development Corporation within the Department of Housing and Urban Development. Finally, Mr. Lindquist's membership on countless public and private commissions, task forces, committees and boards of directors, too numerous to mention here, have afforded him exposure to a wide spectrum of ideas which he will not

doubt utilize in creating innovative solutions to the unique problems facing both public and Indian housing.

Perhaps more importantly, Mr. Chairman, Warren Lindquist has the rate qualities of leadership that enable him to instill in those that work both for him and with him a tangible sense of direction, purpose, and comraderie, which can make any job seem easier. Mr. Chairman, Mr. Lindquist's character, widely-known reputation and superb record make me certain that he will fulfill his new responsibilities as Assistant Secretary for Public and Indian Housing with the same vigor, diligence, and success that he has brought to all of his previous endeavors.

The CHAIRMAN. Thank you very much.

Mr. Lindquist, if I could have you stand and be sworn.

[Whereupon, the witness was duly sworn.]

The CHAIRMAN. Mr. Lindquist, do you have an opening statement you wish to make?

Mr. LINDQUIST. Yes, I do, Senator Garn.

The CHAIRMAN. Please proceed.

STATEMENT OF WARREN T. LINDQUIST, NOMINATED TO BE ASSISTANT SECRETARY FOR PUBLIC AND INDIAN HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Mr. LINDQUIST. First, I thank Senator D'Amato for that generous introduction and I do indeed consider it a privilege to be here as the President's designate for this newly created job of Assistant Secretary for Public and Indian Housing in the Department of Housing and Urban Development.

I, and we all in the administration, consider it vitally important for us to help the people in our country to meet their shelter needs. Public housing is essential to this task of meeting these needs, and it is our responsibility, and we see it as our responsibility, to make public housing a better place for its tenants, those who live in public housing—to make it a better place for them to live.

It goes without saying that the existing stock of public housing is a valuable, irreplaceable resource that we really must maintain and improve. We can count on it to shelter those who need this kind of help and we count on it to shelter them for years to come provided that we manage and care for that housing stock properly.

In short, we must take care of the buildings because the buildings are home to the public housing tenants that live in them now and should provide the opportunity for them to strive to improve their conditions in the future.

Now these are the goals of President Reagan, Secretary Pierce and, of course, they are mine.

Now to work effectively toward providing and producing public housing that is better managed and maintained, that better serves its tenants, as Senator D'Amato said, Secretary Pierce did make the decision to create a new Assistant Secretary for Public and Indian Housing and this new Assistant Secretary—I hope will be me—will head up a new and separate division completely separate from the existing Office of Housing, and this division will be devoted entirely to handling the special problems and concerns of public housing.

The new Assistant Secretary for Public and Indian Housing will report directly to Secretary Pierce. I am really honored indeed that President Reagan has designated me to assume this responsibility and I certainly would be proud to try to fulfill it.

Given the opportunity, it would be my intention to see that all of us at HUD, particularly those with whom I would be working in this new office, work diligently with public housing authorities, with the local officials, and with the tenants themselves to ensure that the tenants live as well as possible in homes which are a source of pride to the tenants and a source of pride to the community of which those homes within these public housing program projects are a part.

There are three basic priorities to the job as I see it. I want to achieve sound management of public housing and sound management of our support programs for that housing. I want to extend and increase problem-solving assistance, especially to those public housing authorities that are having trouble. And finally, I want to make our public housing stock a better place for low income people to live. In fact, it is this goal which will drive everything I intend to do.

Sound management, in my view of the entire public housing program, requires several things.

Among them, good information on which to base decisions. This includes both financial accounting data and data on the situation, condition, and needs of public housing authorities and projects. A key element, a management tool, which I have been thinking about would be to see to the provision and installation of project-based accounting as a management tool for the public housing authorities.

Another thing that sound management requires is keeping regulations to a minimum. I intend to pursue vigorously deregulation activities when it is in the best interest of the public housing authorities and the tenants to do so.

Next, good management would provide for the sharing among the public housing authorities of successful management experiences they have had. I certainly intend to encourage developing ways of making the sharing possible.

And finally, sound management, in my view, also requires continued efforts to arrive at an operating subsidy system that is simple and that provides incentives and flexibility for good management. And it's my intention to work with the public housing authorities in an effort to develop such a system.

Another basic priority, as I suggested earlier, is to give special attention to the relatively few public housing projects that are in trouble, and I have some thoughts on how to do this.

For one thing, I would expect that we would build and capitalize on the experiences which we have had and which we are currently having in working with some troubled public housing authorities to develop guidelines and methods, perhaps some models, to use in assisting the troubled public housing authorities.

For another thing, to deal with the problems of these troubled housing authorities, we might consider setting up a special unit at HUD central, much as a large bank sets up a separate office for dealing with troubled loans.

It is also my intention to work for efficient and effective improvement of the public housing stock. We can use our comprehensive improvement assistance program to make public housing a better place to live and to maintain it for years to come as a low income housing resource.

Public housing provides over 1¼ million housing units in 2,800 communities across the Nation. In some of these communities, public housing is the major source of decent housing to low income families and individuals. It is home to over 3 million people. That's more than 1 percent of the population of the United States.

If confirmed, it will be my job to help the tenants of public housing, and its managers, local officials, and the entire community to make that housing something that is truly a part of the community and which does the job the legislation creating it intended for it.

Mr. Chairman, that concludes my opening remarks and I will do my best to try to answer questions that you or other members of the committee might have. Thank you very much.

[Complete statement and biographical sketch follow:]

STATEMENT OF
ASSISTANT SECRETARY-DESIGNATE WARREN LINDQUIST
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE: IT IS A PRIVILEGE TO APPEAR BEFORE YOU TODAY AS PRESIDENT REAGAN'S DESIGNATE TO BE ASSISTANT SECRETARY FOR PUBLIC AND INDIAN HOUSING IN THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

I CONSIDER IT VITALLY IMPORTANT FOR US TO HELP PEOPLE IN OUR COUNTRY TO MEET THEIR SHELTER NEEDS. PUBLIC HOUSING IS ESSENTIAL TO THIS TASK, AND IT IS OUR RESPONSIBILITY TO HELP MAKE PUBLIC HOUSING A BETTER PLACE FOR ITS TENANTS TO LIVE.

THE EXISTING STOCK OF PUBLIC HOUSING IS A VALUABLE RESOURCE THAT WE MUST MAINTAIN AND IMPROVE. WE CAN COUNT ON IT TO SHELTER THOSE WHO DESPERATELY NEED SUCH HELP...AND SHELTER THEM FOR YEARS TO COME PROVIDED WE MANAGE AND CARE FOR THAT HOUSING PROPERLY.

WE MUST TAKE CARE OF BUILDINGS BECAUSE BUILDINGS TAKE CARE OF A FAR MORE VALUABLE ASSET...THE PEOPLE WHO LIVE IN OUR PUBLIC HOUSING. THOSE WHO NEED HELP TODAY DESERVE AN OPPORTUNITY TO STRIVE TO IMPROVE THEIR CONDITION FOR TOMORROW.

THESE ARE THE GOALS OF PRESIDENT REAGAN, SECRETARY PIERCE AND THE REST OF US IN THE ADMINISTRATION.

To work more effectively toward public housing that is better managed and maintained, that better serves its tenants, Secretary Pierce has decided to create a new Assistant Secretary for Public and Indian Housing to head up a new organization separate from the Office of Housing, and devoted to handling the special problems and concerns of Public Housing. This new Assistant Secretary for Public and Indian Housing will report directly to the Secretary. I am honored that President Reagan has designated me to assume this responsibility, and I would be proud to fulfill it. Given the opportunity, I intend to see that we at HUD work diligently with public housing authorities, local officials and the tenants themselves to ensure that the tenants live as well as possible in homes that are a source of pride for them and the community of which they are a part.

There are three basic priorities to the job as I see it. I want to achieve sound management of public housing and our support programs for that housing. I want to extend and increase problem-solving assistance, especially to troubled PHAs. Finally, I want to make our public housing stock a better place for low income people to live. In fact, it is this goal which will drive everything I intend to do.

Sound management of the entire public housing program requires several things:

- First, it requires good information on which to base decisions. This includes both financial accounting data and data on the situation and needs of PHA's and projects. For instance, a key element might be project-based accounting as a management tool for the PHA's.

- Second, sound management requires keeping regulations to a minimum. I intend to vigorously pursue deregulation activities when it is in the best interest of the PHAs and tenants as well.

- Third, it requires helping PHA's share successful management experience.

- Sound management also requires continued efforts to arrive at an operating subsidy system that is simple and that provides incentives and flexibility to good management. I intend to work with the PHA's to develop such a system.

Another basic priority is to give special attention to the few public housing authorities that are in trouble. I have some ideas on how to do this:

- FOR ONE, BUILD ON PREVIOUS EXPERIENCE AND WORK TO PROVIDE A MODEL TO USE IN ASSISTING TROUBLED PHA'S.

- FOR ANOTHER, TO SOLVE THE PROBLEMS OF TROUBLED PHA'S WE MAY WANT TO SET UP A SPECIAL UNIT AT HUD CENTRAL...MUCH AS A LARGE BANK SETS UP A SEPARATE OFFICE FOR DEALING WITH TROUBLED LOANS.

I ALSO WILL WORK FOR EFFICIENT AND EFFECTIVE IMPROVEMENT OF THE PUBLIC HOUSING STOCK. WE CAN USE OUR COMPREHENSIVE IMPROVEMENT ASSISTANCE PROGRAM TO MAKE PUBLIC HOUSING A BETTER PLACE TO LIVE AND TO MAINTAIN IT FOR YEARS TO COME AS A LOW INCOME HOUSING RESOURCE.

PUBLIC HOUSING PROVIDES OVER ONE AND A QUARTER MILLION HOUSING UNITS IN 2800 COMMUNITIES THROUGHOUT OUR COUNTRY. IN SOME OF THESE COMMUNITIES, THE PUBLIC HOUSING PROGRAM IS THE MAJOR SOURCE OF DECENT HOUSING AVAILABLE TO LOW-INCOME FAMILIES AND INDIVIDUALS . IT IS HOME TO OVER 3 MILLION PEOPLE, MORE THAN 1 PERCENT OF THE AMERICAN POPULATION.

IF CONFIRMED, IT WILL BE MY JOB TO HELP THE TENANTS OF PUBLIC HOUSING...AND ITS MANAGERS, LOCAL OFFICIALS, AND THE ENTIRE COMMUNITY...TO MAKE THAT HOUSING SOMETHING THAT IS TRULY A PART OF THE COMMUNITY AND WHICH DOES THE JOB THE LEGISLATION CREATING PUBLIC HOUSING INTENDED.

MR. CHAIRMAN, THAT CONCLUDES MY OPENING REMARKS, I WILL DO MY BEST TO ANSWER ANY QUESTIONS YOU OR ANY OTHER MEMBER MAY HAVE.

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: Lindquist (LAST) Warren (FIRST) Taylor (OTHER)

Position to which nominated: HUD, Assistant Secretary for Public and Indian Housing Date of nomination: June 24, 1983

Date of birth: 18 (DAY) June (MONTH) 1919 (YEAR) Place of birth: New York, New York

Marital status: Married Full name of spouse: Muriel Therese McMahon Lindquist

Name and ages of children:

Michael Warren	38	Joanne Bresnahan	32	Peter Paul	28
John Warren	37	Brian David	31	Nancy Mize	27
David Robert	34	Diana Mary Bancroft	29	James Eric	24 21

Education:

Institution	Dates attended	Degrees received	Dates of degrees
Boonton High School			
Boonton, New Jersey	1932/1936		
Lafayette College			
Easton, Pennsylvania	1936/1940	A.B.	1940
N. Y. U. Graduate School			
of Business Administration,			
Trinity Place, New York	1946/1947	None	

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.

U. S. Army: Silver Star Medal

Combat Infantry Badge

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Office held (if any)	Dates
(See attached list.)		

Employment record: List below all positions held since college, including the title or description of job, name of employment, location of work, and dates of inclusive employment.

7/81 to Present	New Community Development Corp. HUD, Washington, DC	General Manager
10/77 to 7/81 (left to join HUD - presidential appointee)	SCETAM, Inc., New York, NY	Executive
5/51 to 10/77 (left to organize new company)	David Rockefeller, New York, NY	Executive
1/51 to 5/51 (left to join David Rockefeller)	W. R. Grace & Co., New York, NY	Investment Analyst
1/47 to 1/51 (left for a better job)	Chase Manhattan Bank New York, NY	Clerk
8/41 to 12/46 (war ended)	U.S. Army - active duty	Officer
7/40 to 8/41 (left to join Army)	L. Bamberger & Company Newark, NJ	Merchandise Trainee

Government experience: List any experience in or direct association with Federal, State, or local governments, including any advisory, consultative, honorary or other part-time service or positions.

(See attached list.)

Published writings: List the titles, publishers and dates of books, articles, reports or other published materials you have written.

PRESERVATION vs. COMPATIBLE DEVELOPMENT (U.S. Department of Commerce, Economic Development Agency publication, "Economic Development, U.S.A., November, 1976.")

Political affiliations and activities: List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

Republican Party - Member

Political contributions: Itemize all political contributions of $500 or more to any individual, campaign organization, political party, political action committee or similar entity during the last eight years and identify the specific amounts, dates, and names of the recipients.

None.

Qualifications: State fully your qualifications to serve in the position to which you have been named.
(attach sheet)

(See attached list.)

Future employment relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.

Not applicable -- am presently Presidential appointee.

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization.

No.

3. Has anybody made you a commitment to a job after you leave government?

No.

4. Do you expect to serve the full term for which you have been appointed?

Yes.

Potential conflicts of interest:

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

None.

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

None.

3. Describe any business relationship, dealing or financial transaction (other than tax-paying) which you have had during the last 10 years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

None.

4. List any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

None.

5. Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to the above items.

As indicated above, I see no potential conflict of interest. If ever something were to arise, I would resolve it to the complete satisfaction of White House and HUD General Counsels; I see none.

Civil, criminal and investigatory actions:

1. Give the full details of any civil or criminal proceeding in which you were a defendant or any inquiry or investigation by a Federal, State, or local agency in which you were the subject of the inquiry or investigation.

None.

2. Give the full details of any proceeding, inquiry or investigation by any professional association including any bar association in which you were the subject of the proceeding, inquiry or investigation.

None.

Warren T. Lindquist

MEMBERSHIPS: (from page 2)

CURRENT

Director, JOHANSON MANUFACTURING CORPORATION, Boonton, New Jersey

Member, COUNCIL ON FOREIGN RELATIONS, INC.

The Knickerbocker Club, New York

The New York Athletic Club, New York

The Seal Harbor Yacht Club, Maine

The Harbor Club, Seal Harbor, Maine

The Capitol Hill Club, Washington, DC

Warren T. Lindquist

MEMBERSHIPS: (from page 2)

PAST

Chairman & Director, SCETAM, INC., New York, N.Y. (Management Consulting, Regional Economic Development)

General Partner, Q-L PARTNERS, New York, N.Y. (Real Estate Investment and Management)

Associate, ROCKEFELLER FAMILY AND ASSOCIATES

Director, CONTINENTAL WINGATE COMPANY, INC., Boston, Massachusetts

Board Member, COUNCIL for URBAN ECONOMIC DEVELOPMENT

Board Member, 42ND STREET LOCAL DEVELOPMENT CORPORATION

Trustee, PHIPPS HOUSES

Board Member, NATIONAL INSTITUTE of SOCIAL SCIENCES

Trustee, SOUTH STREET SEAPORT MUSEUM

Trustee and Member of Executive and Mortgage Committees, TEACHERS INSURANCE & ANNUITY ASSOCIATION

Trustee and Member of Mortgage Committee, UNION DIME SAVINGS BANK

Board Member, CITIZENS HOUSING AND PLANNING COUNCIL of NEW YORK, INC.

Member, AMERICAN ARBITRATION ASSOCIATION (Panel of Arbitrators)

Member, COUNCIL ON FOREIGN RELATIONS, INC.

Member, NATIONAL ASSOCIATION of HOUSING and REDEVELOPMENT OFFICIALS

Member, NEW YORK CHAMBER of COMMERCE & INDUSTRY

Member, PACE UNIVERSITY COUNCIL to the INSTITUTE for SUB/URBAN GOVERNANCE

Board Member, CITIZENS UNION of the CITY OF NEW YORK

Executive Vice President & Member of Planning Committee, DOWNTOWN-LOWER MANHATTAN ASSOCIATION, INC.

Member, GOVERNOR'S TASK FORCE ON MIDDLE INCOME HOUSING, New York State

Vice President, Board and Executive Committee Member, MORNINGSIDE HEIGHTS, INC.

Vice President, Board and Executive Committee Member, NATIONAL COMMITTEE AGAINST DISCRIMINATION IN HOUSING

4.

Warren T. Lindquist

GOVERNMENT EXPERIENCE: (from page 3)

HUD, New Community Development Corporation, General Manager

Governor's Task Force on Middle Income Housing, New York State, Director

State Committee Against Discrimination, New York State, Member

U.S. Department of Commerce - National Public Advisory Committee on Economic Development, Member (Chairman, Financial Tools for Economic Development Sub-Committee)

Westchester County Planning Board, New York State, Member

White House Conference on the Aging (Technical Subcommittee on Housing), Member

Task Force, New York City Office of Economic Development, Member

Presidential Goodwill and Trade Mission to Africa, 1973, Member

U.S. Delegation to Moscow for the First Working Group Meeting on New Towns, 1976, Member

Federal National Mortgage Association, Forum II, Member (Chairman, Financing Middle Income City Housing Panel)

White House Conference on Balanced National Growth and Economic Development, Participant (Panel Member, Government and the Management of Growth)

Budapest Seminar, The Planned Development of Existing Communities - Tools, Techniques and Limitations, Consultant - representing U.S. Department of Energy

U.S. Department of Commerce, Assistance to the Minority Business Community, Grantee

U.S. Department of Energy, Technical Proposal PRDA No. DE-RA01-79CS20263, July 9, 1979 - Implementing Innovative Processes and Management Structures for Increasing the Ability of Local Governments to Practice and Promote Energy Conservation, Consultant

Warren T. Lindquist

QUALIFICATIONS: (from page 4)

From 1951 until he started SCETAM (Management Consulting, Regional Economic Development) in 1977, Mr. Lindquist was Mr. David Rockefeller's senior personal associate. His principal concerns were, (1) the role of private sector business and institutional leaders in the formulation and implementation of public policy, and (2) investment in long-term, large-scale development projects of a dimension and quality supportive of Mr. Rockefeller's personal interest in urban design, balanced regional development and growth, and the need for accommodating rural agricultural and resource development to cultural and environmental values.

Mr. Lindquist originated and supervised Mr. Rockefeller's interest in such investment ventures as:

- o L'Enfant Plaza, a planned complex of three office buildings, a hotel, a central plaza, and an underground shopping mall, in Washington, D.C.

- o Embarcadero Center, a planned complex of four office buildings, a hotel, a three-level shopping mall, and an underground garage, in San Francisco.

- o Interstate North, an executive office park in Northwest Atlanta.

- o Fazenda Bodoquena, a 600,000 acre cattle ranch in Brazil.

In addition to these commercial projects, Mr. Lindquist staffed Mr. Rockefeller's interest in activities combining the public and private sectors to encourage economic development at local, state and national levels. Mr. Lindquist organized and served as executive director or chief executive officer of such special purpose organizations as:

- o Downtown-Lower Manhattan Association, a membership corporation comprised of leading financial, trading and shipping interests south of Canal Street in New York City's lower Manhattan. Working with the several government jurisdictions and with other civic and community groups since 1957, the D-LMA played the leadership role in planning and development in that area. Mr. Lindquist conceived the idea for the World Trade Center and directed the study which led to its development.

- o New York City Community Preservation Corporation, a $100 million, not-for-profit lending institution sponsored and funded by the New York City Clearing House Banks and 23 of the City's savings banks. CPC developed and continues a successful community housing rehabilitation and mortgage finance program in New York City.

Warren T. Lindquist

QUALIFICATIONS - continued

In the Morningside Heights area of New York City, Mr. Lindquist played a lead role in the development of Morningside Gardens, the first major non-segregated, middle income, Title I housing project in the United States.

Mr. Lindquist conceived the idea and directed the studies which led to the development of the New York State Housing Finance Agency and the New York State Urban Development Corporation.

At the national level, under the co-chairmanship of David Rockefeller, Joseph Keenan, Secretary of Electrical Workers' Union of the AFL/CIO, and the late Walter Reuther of the United Automobile Workers, Mr. Lindquist served as staff director of the Housing Urban Investment Task Force of the National Urban Coalition.

Mr. Lindquist served as a member of the Technical Sub-committee on Housing of the White House Conference on the Aging and of the Panel on Government and the Management of Growth of the White House Conference on Balanced National Growth and Economic Development. He chaired the Finance Panel of the Federal National Mortgage Association Forum II and served as the private sector investment member on the Presidential Goodwill and Trade Commission to Africa (1973) and the U.S. Delegation to Moscow for the First Working Group Meeting on New Towns (1976).

Mr. Lindquist was a member of the National Public Advisory Committee on Regional Economic Development and chaired its finance subcommittee.

He was a trustee and member of the executive and mortgage committees of Teachers Insurance and Annuity Association and of the Union Dime Savings Bank; he was also a member of the American Arbitration Association, the National Association of Housing and Redevelopment Officials, the National Urban League, the New York Chamber of Commerce and Industry and the New York Urban Coalition.

In addition, Mr. Lindquist was a board member or trustee of a number of public interest organizations working in the field of housing and regional and local development. These organizations include:

- Citizens Housing and Planning Council of New York, Inc.
- National Council for Urban Economic Development
- 42nd Street Development Corporation
- Phipps Houses
- The National Institute of Social Sciences
- The South Street Seaport Museum
- Continental Wingate Company, Inc.
- Citizens Union of the City of New York
- National Committee Against Discrimination in Housing
- REMEDCO Foundation, Inc.

Warren T. Lindquist

QUALIFICATIONS - continued

- o National Urban League Development Foundation
- o Non-Profit Housing Center, Inc. (National Center for Low and Moderate Income Housing)
- o Action, Inc. (became Urban America, Inc. and merged with National Urban Coalition)

Mr. Lindquist was a member of the following:

- o Pace University Council to the Institute for Sub/Urban Governance
- o Governor's Task Force on Middle Income Housing, New York State
- o National Public Advisory Committee on Regional Economic Development (Chairman, Financial Tools for Economic Development Subcommittee)
- o Westchester County Planning Board
- o Task Force, New York City Office of Economic Development

Mr. Lindquist is a graduate of Lafayette College and did his graduate study in finance and investment at New York University.

The CHAIRMAN. Thank you very much, Mr. Lindquist.

I am familiar with your background. I think the President has made an excellent choice and I will say to you, to begin with, that as I have watched the nominees for various offices come before this committee for the last 9 years, the fact that there's very little attendance and that there are no TV lights means that you will be confirmed easily without any opposition. When there's a full house up here and a full house out there and big, glaring TV lights, nominees know they are in trouble. So it's a tribute to you that the situation is as it is this morning.

Will you agree to avoid all conflicts of interest or even the appearance of such conflicts in your service as Assistant Secretary?

Mr. LINDQUIST. Yes, sir.

The CHAIRMAN. And will you agree to appear and testify before this committee and other duly constituted committees of Congress when requested?

Mr. LINDQUIST. Yes, sir.

The CHAIRMAN. I appreciate your opening statement and I only really have one very general question and that would simply be for you to expand a little bit on what you expect to be the major problems and obstacles you face. I appreciate your goals and what you want to accomplish, and what do you think your major obstacles are in doing that?

Mr. LINDQUIST. Well, I think perhaps the major obstacle is the way in which the relationship between the Federal Government and the public housing authorities is structured, in that the public housing authorities are really independent agencies of the local government, in most cases created by the State, so that the Federal Government does not have a direct control. And, frankly, I'm glad we don't have that direct control. But I do see the difficulty in that we do have a responsibility.

The statute burdens us with the responsibility to see that the programs accomplish the purpose which the legislation intended, and one of the serious problems is that the sanctions we have or the pressure that we can bring to discharge our responsibility is not direct and the sanctions which we have are not those which can be easily or frequently appropriately applied, in that the main

sanctions we have are to withhold operating subsidies or withhold modernization money and frequently that can be the very thing which could worsen, rather than improve, the situation.

Our general counsel is presently, with some of us, trying to work on some proposals which would give us other means of exerting our influence than having recourse to these measures which are so drastic that they can be used only with great reluctance.

I think that that is probably the single biggest obstacle that I see.

The CHAIRMAN. Senator D'Amato.

Senator D'AMATO. Thank you, Mr. Chairman.

Mr. Lindquist, can you describe for the committee your experience in the area of rehabilitating multifamily housing for lower or middle income residents?

Mr. LINDQUIST. Well, my experience in rehabilitation has been both direct and indirect. Over the years, as you indicated in your generous introduction, I have been on so many panels and chaired so many committees and things of that kind that without referring to a piece of paper I'm afraid even I don't remember them, and many, many of these were concerned directly with the renovation and rehabilitation of housing.

Long before it was fashionable, some of us felt that the housing needs of our large cities could be satisfied only in terms of the existing housing inventory, that even if the money—say, in New York City, for instance—that even if the money were sitting in the bank where I used to have a friend, Chase Manhattan, and even if there were no political delays or public interest group pressures and delays, the job of replacing all of that housing with new construction would be so great and would take so long that, in addition to being terribly wasteful of resources, it would mean that people would be living in degenerating, debilitating buildings while they waited for this new construction to be completed.

The long and short of it is that rehabilitation, whether anybody likes it or not, is an absolutely essential element of any housing program. And, as I said earlier, I have been on several panels and chaired various panels, and where I could I have made this the main thrust of it. That's the general aspect.

Most specifically, about the last thing I did before I retired from my long association and happy association with David Rockefeller, was at the request of the 11 clearinghouse banks, the major banks of New York City, and some 23 of the savings banks, to devise, organize, and run a not-for-profit lending institution to make housing support loans, construction loans, and the takeouts for housing in areas which were possible flip areas. As you know, of course, Senator, Crown Heights and Washington Heights in New York—these were areas which could go either way, and it looked very much that they would probably go the wrong way.

For a lot of reasons, it was not feasible for the individual banks to make these construction loans and takeouts, particularly in these areas; yet the banks felt it was important for the private sector to do it rather than depend entirely on public programs to do it. So we did organize this not-for-profit lending institution which banks funded and we started out with $40 million and limited it to the two areas which I mentioned, Crown Heights and

Washington Heights, to finance residential and some ancillary commercial; and the program has been increased to $100 million. It's not limited any longer to those two areas and it will now do more than only residential lending and so far—this completely private program has financed the renovation and rehabilitation of more than 10,000 dwellings.

That's my most specific recent experience having to do with rehabilitation.

Senator D'AMATO. Maybe we should send you back to that area and keep you busy there because that was really a magnificent program and a program that has afforded much in the way of housing opportunities, Mr. Chairman, that would otherwise simply not exist, and I think this program has really been the forerunner of a very concerted effort on the part of State, Federal, local, and the private capital sector in the area of rehabilitation and, of course, some of the legislation which the Garn-St Germain bill, under your leadership here in this committee, has provided the means to increase the opportunities for private sector housing, particularly by raising the rate of insured loans so that it is now more practical and, of course, much cheaper to rehabilitate than to go out and start all over and build an apartment in the city at $80,000 to $100,000 which, of course, is something that raises the hackles of people in the private sector who see public housing come in at that kind of cost.

So I think it's really been innovative and I thought it would be worthwhile hearing Mr. Lindquist talk on this.

I thank you, Mr. Chairman.

Mr. LINDQUIST. Thank you, Senator.

The CHAIRMAN. Senator Hecht.

Senator HECHT. Thank you, Mr. Chairman.

I just want to say that it's very important for our country and for our State—I'm from Nevada—and I'm glad to see a man who's being given this position who doesn't need any on-the-job training.

I see, as the chairman mentioned, your 10 children. How many grandchildren do you have?

Mr. LINDQUIST. We only have five grandchildren, Senator, so far.

Senator D'AMATO. Give them a chance to get rolling.

Senator HECHT. Anyway, it's nice to know you, sir.

Mr. LINDQUIST. Thank you very much, Senator.

The CHAIRMAN. I'm sure that will come. My predecessor in the Senate, Senator Wallace Bennett, didn't have as many children as you do, but he has more than 50 grandchildren. So his children have been very productive.

Mr. Lindquist, when I was mayor of Salt Lake City, there always seemed to be some difficulty between local government officials and their housing authorities. I solved that by making the mayor and city commission the housing authority. So we would adjourn as the city commission and reconvene the same people—the city clerk sat there—and we became the housing redevelopment agency, and so we had no conflicts.

Mr. LINDQUIST. I can see that.

The CHAIRMAN. We solved it in that way. But do you have any suggestions, because there are many tenuous relationships between city councils or local governments and their housing authorities—

do you have any suggestions from your background and experience for improving those relationships?

Mr. LINDQUIST. Yes, sir, Senator, I do. I would confess that I haven't gone quite that far as making them one and the same thing. But I do have in mind that the approach that we take must be that the first objective of the program is to serve the tenants. It's not a program for public housing authorities per se, and indeed the public housing authorities, the ones that I've had anything to do with, feel the same way about it. They recognize that the main objective is to serve the tenants. And one of the things that I have had in mind, particularly in dealing with troubled public housing authorities, is to involve more than the housing authority with HUD and with the Federal Government in the solution to the troubles. And I have had in mind, first of all, involving the mayor and the city administration, and then also attempting to see that the private sector was involved, not only the business institutions—importantly the business institutions, but also the cultural institutions—the healing, religious, and teaching institutions. So that public housing problems, instead of being viewed as some kind of isolated thing, are recognized as a problem for the whole community and that the public housing was regarded as something which the whole community should take an interest in.

So I have been thinking along those lines and I must say that I do like your solution better, but I wouldn't be too optimistic about having that happen in too many places.

The CHAIRMAN. No. I would agree. As a matter of fact, before I was mayor, the city commission did that with another agency, so it was not a new, innovative idea of mine. We did eliminate some of the conflicts that came about when you wore several different hats.

But the mayor of Salt Lake City at that time was Mayor Jay Bracken Lee, who had been Governor of the State. He was in his third term as mayor and had been known as a maverick and a tax revolter. He refused to pay his income tax back in the 1950's and got a lot of national publicity and was considered for a third party Vice Presidential ticket. And he consistently voted against any and all Federal programs.

And I'll never forget, he sat there in the city commission one day—we had adjourned the city commission and had reconvened as the redevelopment agency and we were about 45 minutes into it when he turned to the city clerk and he said, "What meeting is this?" And he said, "This is the redevelopment agency, Mr. Mayor." And he stood up and pointed to the city clerk and he said, "Let the record show that I have not been here," and left. [Laughter.]

The CHAIRMAN. We switched so fast at times that we couldn't keep up with which agency we were now the governing board of. It did solve some problems and conflicts.

I have no additional questions for you, Mr. Lindquist. As I said, I think you are a fine nominee. I expect no opposition to your confirmation. Thank you very much for coming.

Is there anything you would like to add?

Mr. LINDQUIST. No, sir; just thank you and I reiterate again how pleased I am at the prospect of being able to try to do this job. Thank you very, very much.

The CHAIRMAN. Thank you.
The committee is adjourned.
[Whereupon, at 9:25 a.m., the hearing was adjourned.]

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